

April 21, 1975

SENATOR MURPHY: I would have to concur with that statement entirely, Senator Mills. I have no doubt that just as we now have a variety of charges relative to the checking system as we know it, the incentives of minimum balances, no check charges, minimum number of checks, no charges, golden age, no charges. There will undoubtedly develop the matter of differentiation in what a bank will charge a particular customer. However, the charge to the bank for the use of that item will be uniform, and to me, this is the critical thing. What that bank elects to do, competitively, beyond that point is fine but all the outstate banks will have exactly the same cost of using the terminal in Omaha as an Omaha bank.

SENATOR MILLS: OK. Then, Senator Murphy, again, to further the point that this could change the complete banking system, that if I could get a card from the.. some bank here in Lincoln but, in fact, lived outstate, I could do all my banking transactions through that card?

SENATOR MURPHY: You could do your depositing. You could do..make your withdrawals as you saw fit, which would include, of course, withdrawing to make payment of a bill at a particular point of sale. The only thing that you could not do, simply by ownership of that card here, of course, would be to establish a line of credit, which, of course, you could arrange.

SENATOR MILLS: But previously I have established the line of credit, now, I think the thing that everybody here ought to understand and I would like to have you explicitly answer this question. Today, if a person gives a merchant a check, he has an instrument of receipt, is that correct?

SENATOR MURPHY: Yes sir.

SENATOR MILLS: By instrumenting LB 269, a person has a card, goes into a local merchant to buy something that is, probably, deductible. At least, he needs a receipt and what will he have for a receipt?

SENATOR MURPHY: They use a...they will be using a voucher very similar to what your present Master Charge or BankAmericard has. It is a multipart receipt. The merchant will have one copy. You will have a copy. The bank will receive two copies and one, I think, will be returned to you with your statement.

SENATOR MILLS: Senator Murphy, I appreciate that because I have seen two demonstrations of the way this works. I listened in committee for three hours and I never was once offered to see a receipt that could be used for proof of purchase. I never was once offered to see a statement that would come back from a bank that would show how your bank account had been debited or credited and what my point probably would be here is I can't understand, if we are going to instrument something this magnanimous, why those simple things, which are very important, have not been presented to this body and to those people who have been lobbied.

SENATOR MURPHY: I would presume possibly, Senator, that we